



Press Release

J.D. Power and Associates Reports: Wireless Service Spending Increases Dramatically among Customers Who Experience Faster Network Connections

Verizon Wireless Ranks Highest in Wireless Network Quality Performance in Five Regions;
U.S. Cellular Ranks Highest in One Region

WESTLAKE VILLAGE, Calif.: 7 March 2013 – Wireless customers who experience faster and more consistent network speeds spend considerably more on their wireless service plans, according to the J.D. Power and Associates 2013 U.S. Wireless Network Quality Performance StudySM—Volume 1 released today.

Now in its 11th year, this semiannual study evaluates wireless customers' most recent usage activities in three areas that impact network performance: calling, messaging and data. Overall network performance is based on 10 problem areas that affect the customer experience: dropped calls; calls not connected; audio issues; failed/late voicemails; lost calls; text transmission failures; late text message notifications;

Web connection errors; slow downloads; and email connection errors. Network performance issues are measured as problems per 100 (PP100) network connections, with a lower score reflecting fewer problems and better network performance. Carrier performance is examined in six geographic regions: Northeast, Mid-Atlantic, Southeast, North Central, Southwest and West.

The study finds that the amount of monthly wireless spending is considerably higher among customers who experience fewer problems with slower connection speeds. For example, smartphone customers who experience between 1 PP100 and 10 PP100 with slow mobile web speeds spend an average of \$11 more per month than those who experience between 11 PP100 and 20 PP100 (\$140 vs. \$129, respectively). Customers experiencing more consistent network speeds are more likely to be brand advocates, as 31 percent of smartphone customers who experience between 1 PP100 and 10 PP100 “definitely will” recommend their carrier, compared with 24 percent among customers who experience between 11 PP100 and 20 PP100.

“It’s very interesting to see the dramatic financial difference between wireless customers who consistently experience a fast network connection and those who experience higher problem incidence in this area, especially when using Internet-based services,” said Kirk Parsons, senior director of telecom services at J.D. Power and Associates. “Added to this, the network advantages of using 4G LTE technology, in terms of spectrum efficiencies and increase in data connection speeds and reliability, it’s not unexpected that wireless carriers are rushing to expand and upgrade their networks to align with this latest generation of service.”

According to Parsons, the key is getting wireless customers to upgrade to 4G-enabled devices, including smartphones and tablets, as satisfaction and loyalty levels among these customers is much higher than among those using devices with other 3G/4G technology standards, such as WiMAX and HSPA+. Overall, satisfaction is

Key Findings

- Customers experience significantly fewer data problems with 4G LTE smartphones than with 3G phones.
- Customers with 4G-enabled smartphones are more loyal to their wireless carrier than owners of devices that use other technologies.

significantly higher among smartphone customers using 4G networks than among those using previous-generation networks (7.3 vs. 7, respectively, on a 10-point scale). This satisfaction gap is due to the level of problems experienced with network quality. On average, 4G LTE smartphone customers experience significantly fewer issues with data than do 3G customers (16 PP100 vs. 19 PP100, respectively). This in turn translates to higher brand loyalty. Notably, 12 percent of smartphone customers using 4G LTE service indicate they are likely to switch their carrier within the next year, compared with 15 percent among those using 3G.

“Based on varying degrees of consistency with overall network performance, it is critical that wireless carriers continue to invest in improving both the voice quality and data connection-related issues that customers continue to experience,” said Parsons.

For a 17th consecutive reporting period, Verizon Wireless ranks highest in the Northeast region. Verizon Wireless achieves fewer customer-reported problems with dropped calls, initial connections, transmission failures and late text messages, compared with the regional average. Verizon Wireless also ranks highest in the Mid-Atlantic, Southeast, Southwest and West regions.

U.S. Cellular ranks highest in the North Central region for a 15th consecutive reporting period. Compared with the regional average, U.S. Cellular has fewer customer-reported problems with dropped calls, failed initial connections, audio problems, failed voice mails and lost calls.

The 2013 U.S. Wireless Network Quality Performance Study—Volume 1 is based on responses from 27,048 wireless customers. The study was fielded between July and December 2012.

About J.D. Power and Associates

Headquartered in Westlake Village, Calif., J.D. Power and Associates is a global marketing information services company providing forecasting, performance improvement, social media and customer satisfaction insights and solutions. The company’s quality and satisfaction measurements are based on responses from millions of consumers annually. For more information on car reviews and ratings, car insurance, health insurance, cell phone ratings, and more, please visit JDPower.com. J.D. Power and Associates is a business unit of The McGraw-Hill Companies.

About The McGraw-Hill Companies

The McGraw-Hill Companies (NYSE: MHP), a financial intelligence and education company, signed an agreement to sell its McGraw-Hill Education business to investment funds affiliated with Apollo Global Management, LLC in November 2012. Following the sale closing, expected in early 2013, the Company will be renamed McGraw Hill Financial (subject to shareholder approval) and will be a powerhouse in benchmarks, content and analytics for the global capital and commodity markets. The Company's leading brands will include: Standard & Poor's, S&P Capital IQ, S&P Dow Jones Indices, Platts, Crisil, J.D. Power and Associates, McGraw-Hill Construction and Aviation Week. The Company will have approximately 17,000 employees in more than 30 countries. Additional information is available at www.mcgraw-hill.com.

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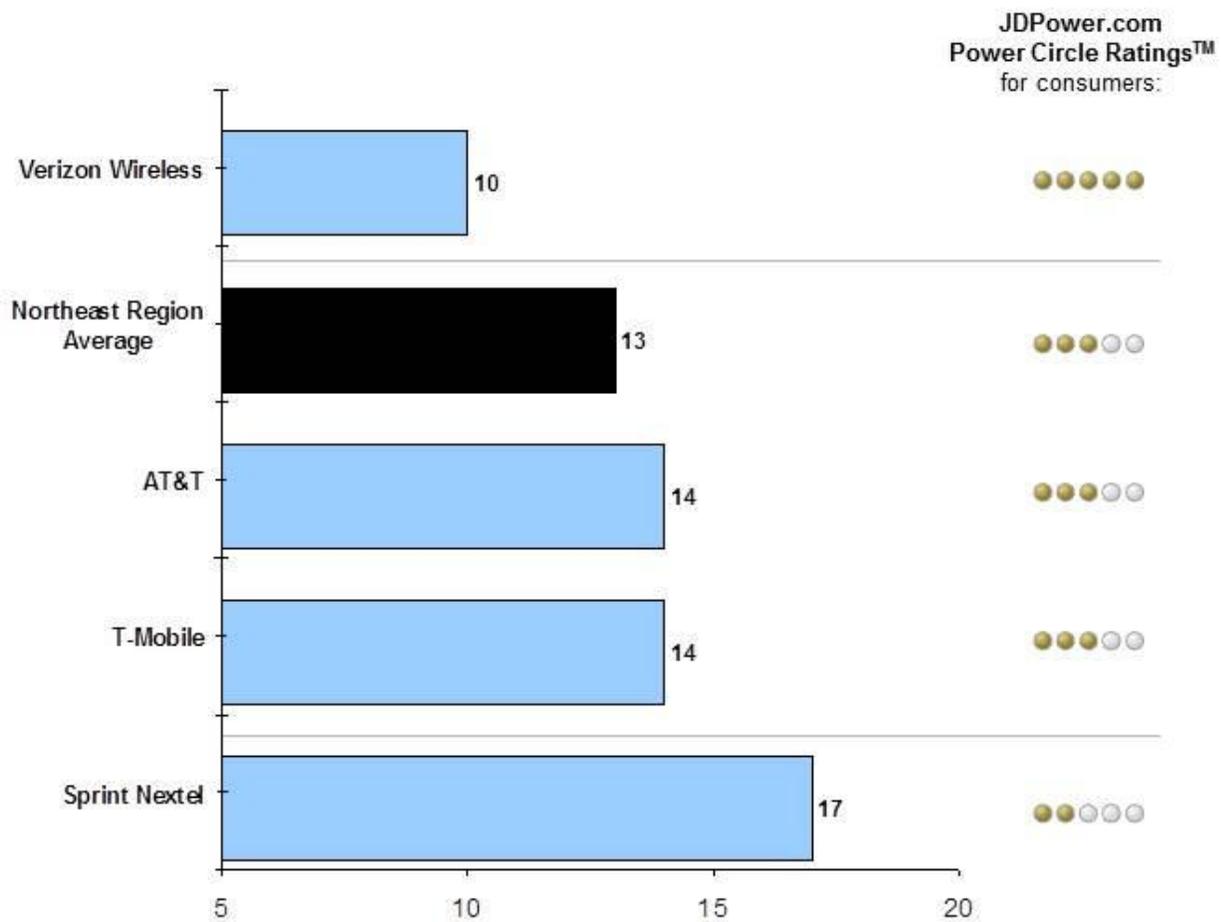
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NOTE: Six charts follow

J.D. Power and Associates 2013 U.S. Wireless Network Performance StudySM—Volume 1

Network Performance PP100 Rankings Northeast Region



Note: Included in the Northeast Region are: Connecticut, Maine, Massachusetts, New Hampshire, New York, Rhode Island and Vermont.

Source: J.D. Power and Associates 2013 Wireless Network Performance StudySM—Volume 1

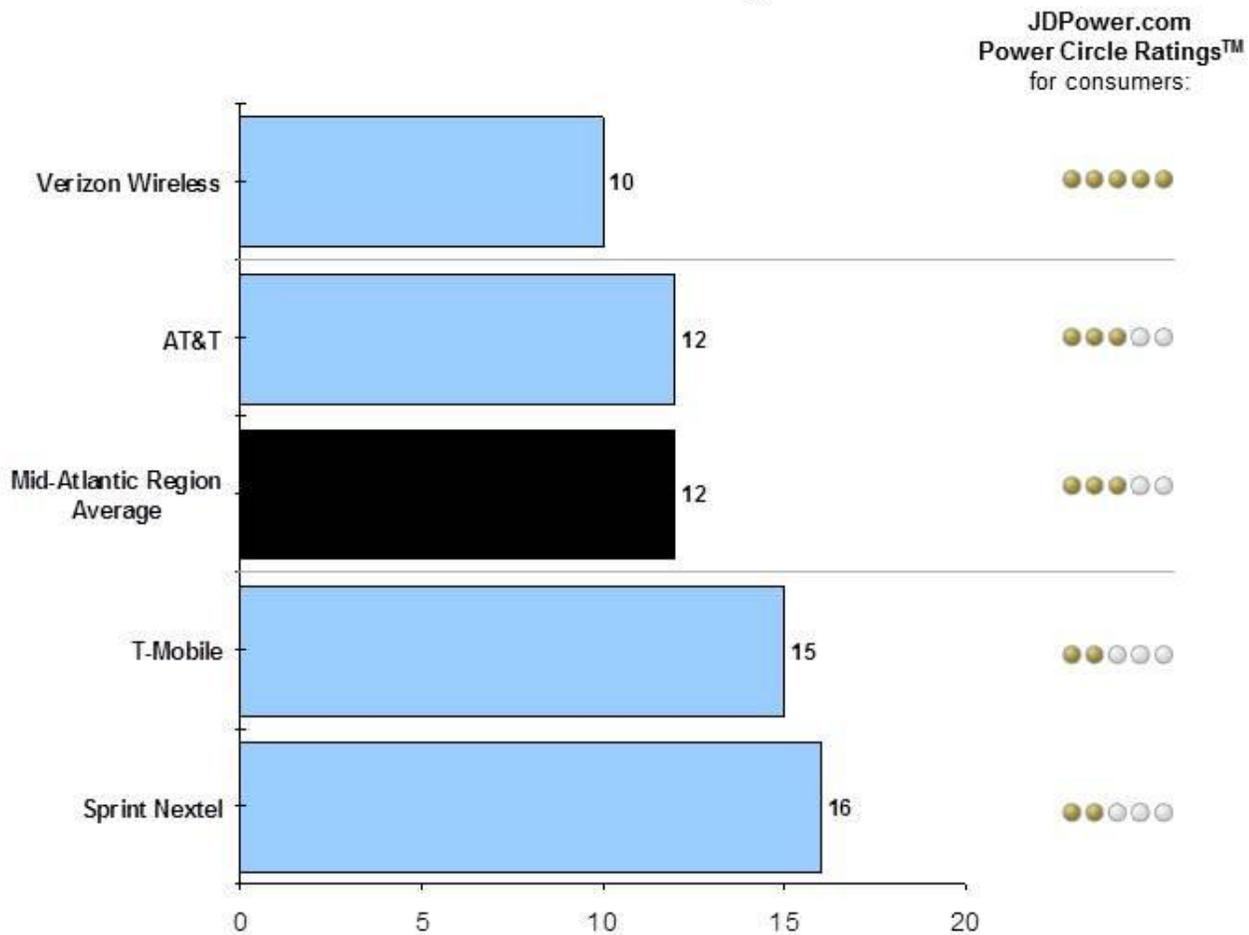
Power Circle Ratings Legend

- Among the best
- Better than most
- About average
- The rest

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Network Performance PP100 Rankings Mid-Atlantic Region



Note: Included in the Mid-Atlantic Region are: Delaware, District of Columbia, Maryland, New Jersey, Pennsylvania, Virginia and West Virginia.

Source: J.D. Power and Associates 2013 Wireless Network Performance StudySM—Volume 1

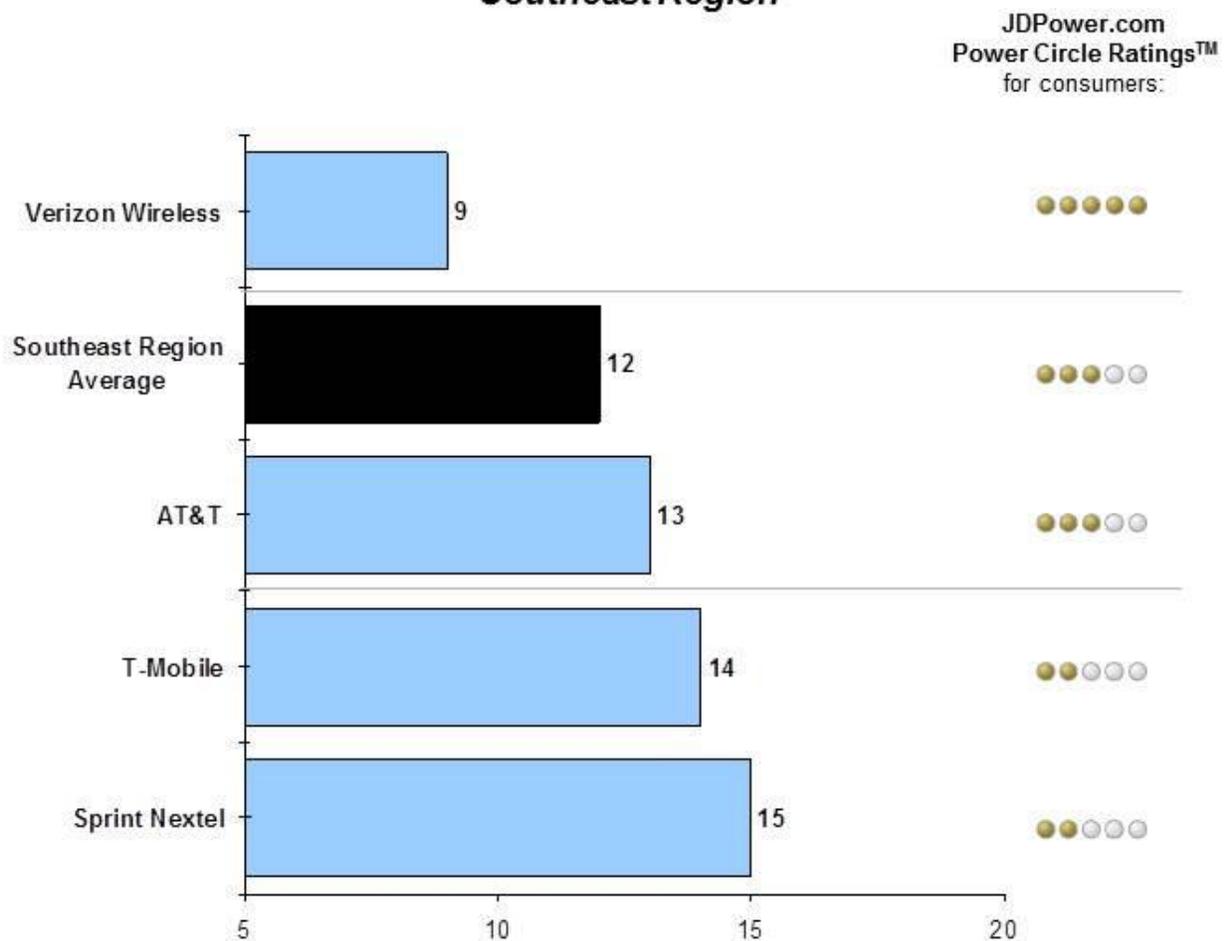
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Network Performance PP100 Rankings Southeast Region



Note: Included in the Southeast Region are: Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina and Tennessee.

Source: J.D. Power and Associates 2013 Wireless Network Performance StudySM—Volume 1

Power Circle Ratings Legend	
●●●●●	Among the best
●●●●○	Better than most
●●●○●	About average
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Network Performance PP100 Rankings North Central Region



Note: Included in the North Central Region are: Illinois, Indiana, Michigan, Ohio and Wisconsin.

Source: J.D. Power and Associates 2013 Wireless Network Performance StudySM—Volume 1

Power Circle Ratings Legend	
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Network Performance PP100 Rankings Southwest Region



Note: Included in the Southwest Region are: Arkansas, Kansas, Missouri, Oklahoma and Texas.

Source: J.D. Power and Associates 2013 Wireless Network Performance StudySM—Volume 1

Power Circle Ratings Legend

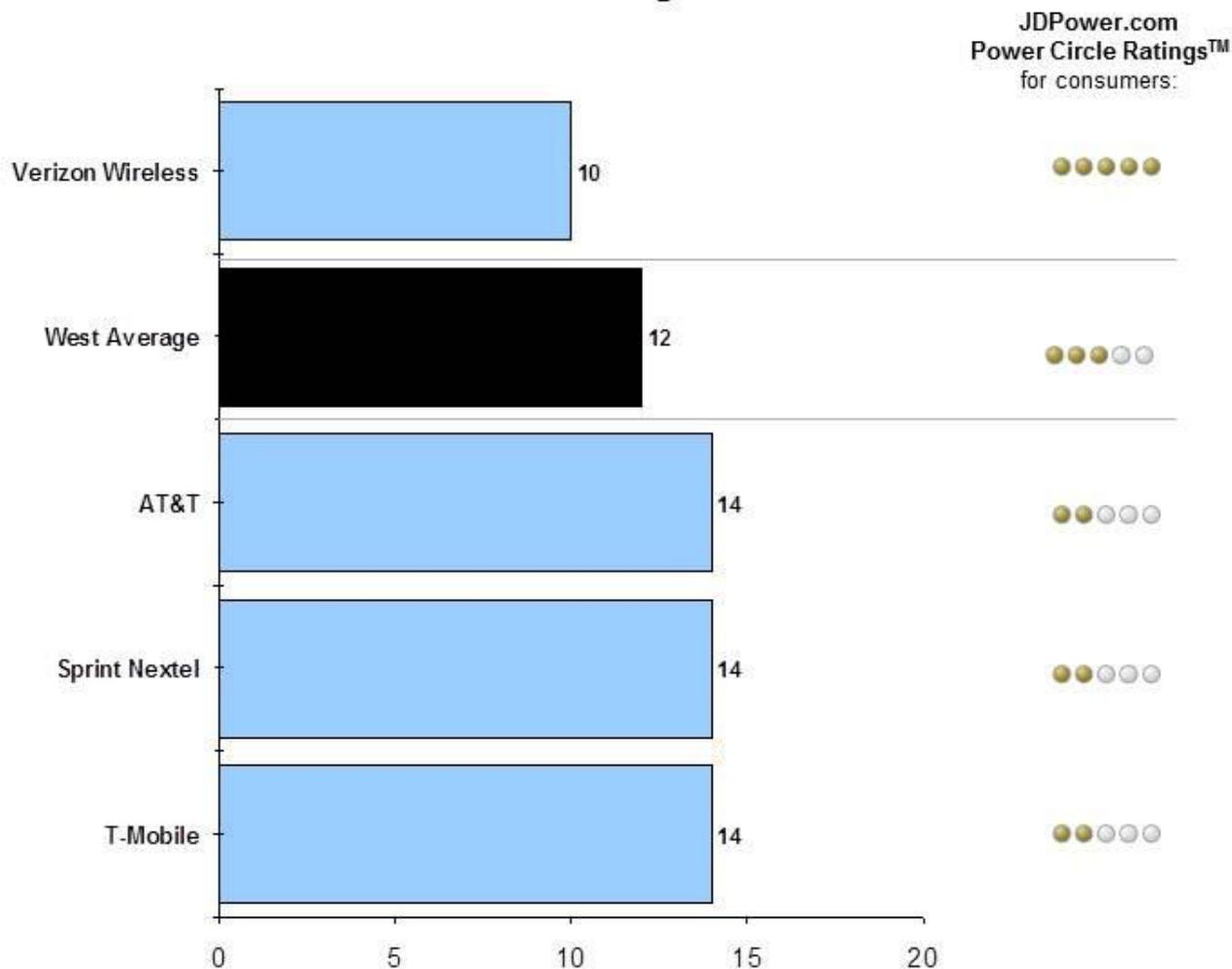
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Network Performance PP100 Rankings West Region



Note: Included in the West Region are: Arizona, California, Colorado, Idaho, Iowa, Minnesota, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oregon, South Dakota, Utah, Washington and Wyoming.

Source: J.D. Power and Associates 2013 Wireless Network Performance StudySM—Volume 1

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